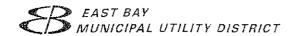
HULL

DENNIS M. DIEMER GENERAL MANAGER



December 27, 2005

The Honorable Arnold Schwarzenegger Governor of California State Capitol Building Sacramento, CA 95814

Dear Governor Schwarzenegger:

At the United Nations World Environment Day in San Francisco last June, you sent a clear signal that California is serious about reducing our contributions to global warming. You announced: "I say the debate is over. We know the science. We see the threat. And we know the time for action is now."

We agree that the scientific evidence has accumulated to the point where action must be taken. We applaud your call to move forward expeditiously in implementing strategies to reduce greenhouse gas emissions in our state to meet the targets you set: reduce greenhouse gas emissions to 2000 levels by 2020, to 1990 levels by 2020 and to 80 percent below 1990 levels by 2050.

Recent research demonstrates that global warming could have serious impacts on California's water supply and economy. Changes predicted by climate researchers include decreasing snowpack, rising sea levels, and changes in the timing of runoff. Climate change is also likely to significantly increase the risks of a catastrophic failure of the vulnerable Delta levee system. We thank you for acknowledging these impacts in your statements.

Fortunately, California is uniquely positioned to take the lead in developing policies to address global warming. The state's policies should be based on a comprehensive analysis and robust public process, and should show how the different strategies will lead to attainment of the targets. Two initial steps that should be explored immediately include a cap on, and mandatory reporting of, greenhouse gas emissions for those entities determined to be significant emitters.

Our economy and our way of life depend on taking steps both to reduce greenhouse gas emissions, and also to prepare for the inevitable impacts that will occur in the decades ahead. We must start now to develop water and energy conservation measures and advanced, clean technologies that can effectively reduce California's contributions to global warming. The East Bay Municipal Utility District (EBMUD) has an established record as a leader in water conservation programs that also provide energy savings. We pledge to remain at the forefront in maximizing the efficient use of both water and energy.